

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF DELTA NATURAL GAS)	
COMPANY, INC. FOR A VARIANCE FROM THE)	CASE NO.
METER TESTING REQUIREMENTS)	2009-00063
ESTABLISHED UNDER KAR 5:022, SECTION 8)	
(5)(a)(1)-(3))	

ORDER

Before the Commission is Delta Natural Gas Company, Inc.'s ("Delta") request for Commission approval to deviate from the meter testing requirements of 807 KAR 5:022, Section 8(5)(a)(1)-(3).¹ The proposed deviation will consist of extending the meter test intervals for each of Delta's three meter classifications: (1) residential and small commercial; (2) large commercial; and (3) industrial.

There are no intervening parties in this proceeding. Delta responded to one set of data requests issued by Commission Staff.

¹ 807 KAR 5:022, Section 8(5)(a)(1)-(3) provides:

(5) Periodic tests.

(a) Periodic tests of all meters shall be made according to the following schedule based on rated capacities. Rated meter capacity is defined as the capacity of the meter at five-tenths (0.5) of one (1) inch water column differential for diaphragm meters and as specified by the manufacturer for all other meters.

1. Positive-displacement meters, with rated capacity up to and including 500 cubic feet per hour, shall be tested at least once every ten (10) years.

2. Positive-displacement meters, with rated capacity above 500 cubic feet per hour, up to and including 1,500 cubic feet per hour, shall be tested at least once every five (5) years.

3. Positive-displacement meters above 1,500 cubic feet per hour shall be tested at least once every year.

METER TESTING PROGRAM

Recognizing the high quality and dependability of the meters manufactured by American Meter Company, Delta purchases diaphragm meters and turbine meters exclusively from that manufacturer. Several years ago, in order to achieve more accurate measurements of its gas sales, Delta instituted a program to retire iron case, steel case, and certain older aluminum case meters that had historically shown a propensity to develop measurement problems. Meters acquired through acquisition of a gas system, such as a housing authority, are tested as soon as practicable and those meters not meeting Delta's meter requirements are retired from service. Delta currently utilizes two makes of rotary meters for its industrial class, Instromet/Elster and Roots/Dresser, both of which maintain a high degree of accuracy.

For the purpose of obtaining test samples, Delta proposes to group all meters of the same test year for each of its three meter classes. In this manner, all residential/small commercial meters tested in a given test year will become a "test group" and all large commercial meters and industrial meters will become individual "test groups" for their given test year. All gas meters, prior to being installed for use by any customer, will continue to be tested and adjusted with accuracy requirements as mandated by 807 KAR 5:022, Section 8(3).

Under Delta's proposal, at least 85 percent of the sampled group of meters must register accurately. The required accuracy limit of an individual meter must be within plus or minus two percent of 100 percent accuracy.

Residential/small commercial meters are those with a rated capacity up to and including 500 cubic feet per hour. Delta's objective is to extend the meter test interval

for this class of meters from 10 years to 20 years. Large commercial meters are those with a rated capacity of 501 cubic feet per hour up to and including 1,500 cubic feet per hour. Delta's objective is to extend the meter test interval for this class of meters from five years to 10 years. Industrial meters are those with a rated capacity of 1,501 cubic feet per hour and above. Delta's objective is to extend the meter test interval for this class of meters from one to two years.

Beginning in the first year of the program, Delta plans to remove and test five percent of residential/small commercial and large commercial meters. These sample groups shall be randomly selected and comprised of as near five percent as possible of meters of each make and size. It will test 50 percent of the industrial class meters with the sample group randomly selected and comprised of as near 50 percent as possible of meters of each make and size.

Inactive, leaking, or non-registering meters shall be excluded from the sample tests. In the event that a non-registering meter is found in a test group, a meter of the same make and size shall be selected to replace that meter for that test group. Meters acquired through acquisition of a gas system that do not meet Delta's meter standards, or meters acquired with insufficient test data, shall be excluded from the test group and tested as soon as practicable.

If, in the first year of the program, the acceptable accuracy level is met for residential/small commercial meters, Delta will remove and test five percent of the 11-year and five percent of the 12-year meters in the second year of the program. If the acceptable accuracy level is met in year two, Delta will continue removing and testing

five percent of the meters yearly for each remaining age group until the first test group has reached age 20.

Upon successfully reaching year 20 for residential/small commercial meters, all 20 year meters will be removed from service and tested. This will become the test interval for residential/small commercial meters. In the event that the test group of meters for a given year fails, an additional five percent of meters will be removed and tested. If the second group of meters meets the acceptable accuracy level, Delta will continue the proposed extended test plan. If the second group fails, the proposed extended test plan will be halted and all meters of that age group will be removed and tested. The year of the last acceptable test group will become the new extended test interval.

The testing program for large commercial meters mirrors the program of the residential/small commercial meters, except that the timetable is based upon achieving a 10-year test interval. Upon reaching year 10 for large commercial meters, all 10-year meters will be removed from service and tested. This will then become the test interval for large commercial meters. Delta's procedure in the event that a test group of meters for a given year fails is the same as for the residential/small commercial meters.

For industrial meters, the first-year test will involve 50 percent of meters. If the accuracy level is acceptable in year one, Delta will test the remaining industrial class meters in year two. If the acceptable accuracy level is met, the new test interval for industrial class meters will become two years. In the event that the acceptable accuracy level is not met, all industrial class meters will be tested as soon as

practicable. Delta's industrial class meters will then continue to be tested at one-year intervals.

Pursuant to 807 KAR 5:006, Section 25(5)(b), all individual residential customer service regulators, vents, and relief valve vents are required to be checked for satisfactory operation at intervals that do not exceed the periodic meter test intervals. Delta states that it plans to continue to check its regulators and relief valve vents in compliance with its meter rotation. It further states that all residential service regulators on its system have full internal relief and that no service regulator is installed inside a customer premise.

CONCLUSION

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that Delta's requested deviation from the meter testing requirements of 807 KAR 5:022, Section 8(5)(a)(1)-(3), is reasonable and should be approved. We further find that, since all customer regulators and relief valves on Delta's system are installed outside customer premises with full relief, Delta also should be granted a deviation from the requirements of 807 KAR 5:006, Section 25(5)(b), to allow it to check its residential service regulators pursuant to its proposed meter testing period.

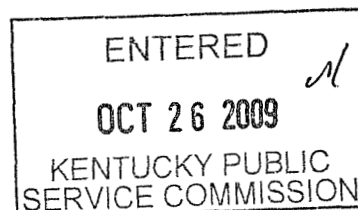
IT IS THEREFORE ORDERED that:

1. Delta is granted a deviation from the periodic meter testing requirements of 807 KAR 5:022, Section 8(5)(a)(1)-(3), with the deviation limited to what is described and contained in its application herein.

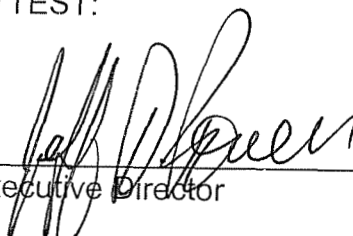
2. Delta is granted a deviation from the requirements of 807 KAR 5:006, Section 25(5)(b), to allow it to check all residential customers service regulators, vents,

and relief valve vents for satisfactory operation pursuant to the proposed meter testing schedule authorized herein.

By the Commission



ATTEST:



Executive Director

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